

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2969 – SB 2929

April 18, 2012

SUMMARY OF AMENDMENTS (016838, 016878): Deletes all language after the enacting clause. Requires the Bureau of TennCare to report to the General Assembly a separate accounting of long-term care expenditures for nursing facility services and home-and-community-based services under the CHOICES program. The prior fiscal year actual expenditures and projected current fiscal year expenditures are to be reported by February 1 of each year and projected expenditures for the following fiscal year are to be reported by June 30 of each year. Requires the level of care criteria and the state's medical eligibility criteria for all long-term services, including nursing facility services and home-and-community-based services, to be adopted by rule pursuant to the Uniform Administrative Procedures Act. If TennCare adopts such criteria standards under emergency rule, the Bureau must provide the emergency rule through public notice or a posting on its website. The Bureau must also provide for a public hearing prior to the emergency rule's adoption and implementation. Any changes after the public hearing regarding the emergency rule shall be posted on the Bureau's website.

Requires all managed care organizations (MCOs) to contract with any currently licensed nursing facility that provides Medicaid services and is willing to contract with the MCO under the same terms and conditions, excluding rate of reimbursement, offered to any other nursing facility contracted with the MCO under any policy, contract, or plan that is part of the TennCare long-term care service delivery system. States that TennCare, or an MCO, is not prevented from enforcing the provisions of a contract between an MCO and a nursing facility. This provision will terminate on June 30, 2015.

Requires the Comptroller of the Treasury to set the Medicaid rates for nursing facility services under the cost-based nursing facility reimbursement system and any acuity-based reimbursement system adopted in a rulemaking hearing. TennCare is not prevented from implementing rate adjustments as required by an act of the General Assembly, including an annual appropriation act, nor is TennCare required to promulgate a rule to implement rate adjustments that are required by an act of the General Assembly, unless such implementation requires a change in the underlying rate methodology. Requires skilled nursing facilities in any TennCare dual-eligible demonstration to be reimbursed for Medicare skilled nursing facility services in an amount that is consistent with the net payment they would have received for the service absent such demonstration in a Medicare fee-for-service system, taking the primary payment by Medicare and the secondary payment of cost sharing by Medicaid, in accordance with the institutional crossover payment methodology set forth in the Medicaid State Plan. Requires nursing facilities participating in the dual-eligible demonstration project to be reimbursed for Medicaid services in a manner that is consistent with the methodology for Medicaid nursing facility services outside the demonstration project.

Requires MCOs to comply with the provisions of Tenn. Code Ann. § 56-32-126 and any prompt pay provisions within the contractor risk agreements with TennCare. MCOs must ensure 90 percent of clean claims for nursing facility services shall be processed and paid within 14 calendar days and 99.5 percent paid within 21 days.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions applied to amendments:

- The Bureau of TennCare will be able to provide the required reports of the actual and projected expenditures under the CHOICES program to the General Assembly without incurring a significant increase in expenditures.
- The proposed FY12-13 TennCare budget includes \$47,124,000 in decreased expenditures for changes to the level of care and medical eligibility criteria used for nursing home placement. TennCare is planning to implement the criteria changes through the adoption of emergency rule. The provisions of the bill as amended will not prohibit the Bureau of TennCare from adopting level of care and medical eligibility criteria by emergency rule and will not delay the changes.
- Any cost incurred to post the information on TennCare's website and provide for a public hearing will not be significant and can be accommodated within existing resources.
- According to TennCare, the program is in the process of implementing a demonstration project to integrate the care of dual-eligible (Medicaid and Medicare) enrollees within the managed care system. The proposed bill as amended will not change the program's reimbursement rates; therefore, any fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/kml